



Approved Budget Reductions Fiscal Year 2011-12

Below is a summary of the budget reductions that were approved by the General Assembly. All changes are effective July 1, 2011 unless otherwise indicated.

Medicaid Provider Rate Reductions

- Acute care, pharmacies, and physical health provider rates will be reduced by 0.75 percent effective July 1, 2011. This reduction includes home health.
General Fund Reduction: \$5,075,042
Total Fund Reduction: \$11,711,574
- Community-based long term care provider rates will be reduced by 0.5 percent effective July 1, 2011. This includes Private Duty Nursing and Home and Community-Based Services' programs.
General Fund Reduction: \$1,103,322
Total Fund Reduction: \$2,260,830
- The 2 percent reduction for the mental health capitation program that was implemented in January 2011 will become permanent.
General Fund Reduction: \$2,367,687
Total Fund Reduction: \$5,570,619

Medicaid Medical Benefits

- Payments for blood glucose/reagent strips will be reduced from \$31.48 per box of 50 strips to the current median market price of \$18.00.
General Fund Reduction: \$459,670
Total Fund Reduction: \$919,340
- Facility payments for uncomplicated cesarean section deliveries will be reduced to the amount paid for complicated vaginal deliveries.
General Fund Reduction: \$3,423,275
Total Fund Reduction: \$6,846,550
- Payment for inpatient renal dialysis will be reduced from 185 percent of cost to 100 percent of cost.
General Fund Reduction: \$1,183,474
Total Fund Reduction: \$2,366,947
- The number of physical and occupational therapy units for adults are limited to 48 total units of service per year.
General Fund Reduction: \$252,372
Total Fund Reduction: \$504,744

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- Wound therapy payment for negative pressure wound therapy will be reduced to \$88.50 per day.
General Fund Reduction: \$50,000
Total Fund Reduction: \$100,000
- Circumcision will no longer be a covered benefit.
General Fund Reduction: \$186,500
Total Fund Reduction: \$373,000
- Prior authorizations will be required in outpatient hospitals for MRIs, CT scans, PET scans and SPECT scans except in emergency situations. This is effective April 2012.
General Fund Reduction: \$336,068
Total Fund Reduction: \$672,136
- There will no longer be separate payments to hospitals for readmissions within 48 hours to the same hospital for a related condition.
General Fund Reduction: \$1,350,228
Total Fund Reduction: \$2,700,456
- The Accountable Care Collaborative will enroll 63,000 additional clients by November 2011 for a total program enrollment of 123,000. This is effective September 2011.
General Fund Reduction: \$2,384,452
Total Fund Reduction: \$4,768,903
- The Client Overutilization Program will be expanded by 200 clients by paying providers an incentive payment to participate. This is effective March 2012.
General Fund Reduction: \$68,300
Total Fund Reduction: \$136,600

Medicaid Dental Benefits

- Dental prophylaxis (routine dental cleaning) will be limited to two procedures per fiscal year.
General Fund Reduction: \$88,329
Total Fund Reduction: \$176,658
- Fluoride applications will be limited to a maximum of three applications per year.
General Fund Reduction: \$16,899
Total Fund Reduction: \$33,798
- There will no longer be reimbursement for oral hygiene instruction.
General Fund Reduction: \$2,313,287

Pharmacy

- More drugs will be added to the State Maximum Allowable Cost Expansion (SMAC) list.

General Fund Reduction: **\$916,667**

Total Fund Reduction: **\$1,833,333**

Long-Term Care

- Nursing Facility rates will be reduced by 1.5 percent of the new core rate. This may impact hospice rates for room and board and PACE rates.

General Fund Reduction: **\$4,432,915**

Total Fund Reduction: **\$8,865,830**

- There will be a cap on the wage rate a client enrolled in the Consumer Directed Attendant Support Services Program is allowed to pay attendants based on current rates for similar services in the Home and Community-Based Elderly, Blind and Disabled Waiver.

General Fund Reduction: **\$774,923**

Total Fund Reduction: **\$1,549,846**

- After the 60 day period, prior authorizations are required to receive additional acute home health services. Enforcing this requirement is not anticipated to deny home health services for any client who has a medical need.

General Fund Reduction: **\$617,212**

Total Fund Reduction: **\$1,234,424**

- Home health providers will be required to specifically bill codes for brief visits in circumstances in which only a short visit is required.

General Fund Reduction: **\$1,369,878**

Total Fund Reduction: **\$2,739,756**

- Money Follows the Person grant funds will provide additional transitional services to move clients from nursing facilities to Community-Based Long-Term Care facilities. This is effective April 2011.

General Fund Reduction: **\$312,852**

Total Fund Reduction: **\$625,704**

CHP+

- Prior authorization will be required for any out-of-network, non-emergent care.

General Fund Reduction: **\$265,415**

Total Fund Reduction: **\$870,000**

- The pre-HMO period of eligibility will be eliminated. HMO enrollment will be the first day of the month following eligibility determination. This is effective January 2012.

General Fund Reduction: **\$1,040,626**

Total Fund Reduction: **\$3,480,000**

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- The HMO capitation rates will be reduced by 3 percent.
General Fund Reduction: \$834,210
Total Fund Reduction: \$2,734,447
- Inpatient coverage for pregnant women during the presumptive eligibility period will be discontinued. Women who later become enrolled in Medicaid or CHP+ would be retroactively covered for inpatient services.
General Fund Reduction: \$106,166
Total Fund Reduction: \$348,000
- Reinsurance will be eliminated.
General Fund Reduction: \$334,011
Total Fund Reduction: \$1,094,850
- CHIPRA bonus funds were awarded and assigned to a line item in the General Fund that does not receive a federal match.

CICP

- Tobacco tax funding from the Primary Care Fund will be redistributed to clinics and the Pediatric Specialty Hospital line item will be reduced by \$3,000,000 total funds. The Primary Care Fund will be restored in FY 2012-13.
- The Comprehensive Primary and Preventive Care Grants Program is repealed effective September 15, 2011.
- Funds of \$50 million will be transferred from the Hospital Provider Fee to offset General Fund expenditures in Medicaid.

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